

# Premier disappointed with Muskrat Falls cost overruns

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## **Paul Davis says he's still behind hydro project**

Premier Paul Davis is still backing the Muskrat Falls project as the best option for meeting the province's future power needs, despite a blown schedule and ballooning budget.

The project, including a power connection between the island of Newfoundland and Labrador, was sanctioned over alternative options back in 2012.

It is being led by provincial power company and Crown corporation Nalcor Energy.

Speaking with reporters outside the House of Assembly this afternoon, Davis said he did not want the project's estimated cost to even reach the point where it is now — at \$7.65 billion, up from initial estimates of \$6.2 billion — and said he was disappointed with the news.

“We know that based on what we've seen in other projects, I can tell you I'm not entirely surprised, but I'm certainly disappointed we're in the position we're in today,” Davis said.

He said his government has been in constant discussions with Nalcor leadership, however, and he still sees benefit in seeing the project through.

“It's a project that's going to provide great value for Newfoundlanders and Labradorians,” he said.

An Independent Engineers' report submitted earlier in September highlighted strain on the project schedule, suggesting meeting the standing targets, including first power in December 2017, was improbable.

Natural Resources Minister Derrick Dalley said the government was subsequently briefed by Nalcor on where the schedule and timelines for the project actually were. Nalcor provided the update to reporters at the main construction site earlier today.

First power is now expected in 2018.

Dalley said he has not had any direct contact with Emera on the change in project timelines.